

Approved: CW
Douglas B. Bloom/Alvin L. Bragg, Jr.
Assistant United States Attorneys

Before: HONORABLE PAUL E. DAVISON
United States Magistrate Judge
Southern District of New York

----- x 13 MAG 852

UNITED STATES OF AMERICA : SEALED
: COMPLAINT
- v. - :
MALCOLM A. SMITH, : Violations of
DANIEL J. HALLORAN, : 18 U.S.C. §§ 371, 1341,
VINCENT TABONE, : 1343, 1346, 1951, 1952
JOSEPH J. SAVINO, : and 2
NORAMIE JASMIN, :
JOSEPH DESMARET, : COUNTIES OF OFFENSE:
Defendants. : ROCKLAND, NEW YORK and
: WESTCHESTER
----- x

SOUTHERN DISTRICT OF NEW YORK, ss.:

THOMAS HOLMES, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE

(Conspiracy to Bribe New York City Political Party Officials)

1. From in or about November 2012, through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE, and JOSEPH J. SAVINO, the defendants, together with others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, wire fraud and bribery in violation of Title 18, United States Code, Sections 1343, 1346, and 1952.

Objects of the Conspiracy

2. It was a part and an object of the conspiracy that MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE and JOSEPH J. SAVINO, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and to deprive the New York City Republican Party county committees and members of the Republican Party of the honest services of leaders of such county committees, for the purpose of executing such scheme and artifice, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice.

3. It was further a part and an object of the conspiracy that MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE and JOSEPH J. SAVINO, the defendants, and others known and unknown, knowingly would and did travel in interstate and foreign commerce and use the mail and a facility in interstate and foreign commerce, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on, of an unlawful activity, namely bribery in violation of New York Penal Law §§ 200.45 and 200.50, and thereafter would and did perform and attempt to perform an act to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of the unlawful activity.

Means and Methods of the Conspiracy

4. Among the means and methods used by MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE and JOSEPH J. SAVINO, the defendants, to achieve the unlawful objects of the conspiracy were the following:

a. MALCOLM A. SMITH, the defendant, agreed with a cooperating witness (the "CW") and an undercover FBI agent posing as a wealthy real estate developer (the "UC") to bribe leaders of the Republican Party county committees in New York City in order to obtain certificates of authorization, commonly known as Wilson Pakula

certificates,¹ allowing SMITH to run for New York City Mayor as a Republican even though he was a registered Democrat;

b. DANIEL J. HALLORAN, the defendant, arranged for the CW and the UC to meet SAVINO and TABONE, and negotiated the amounts of the bribes for the Wilson Pakula certificates, and, in exchange, solicited and received from the CW and the UC approximately \$20,500 in cash for himself;

c. TABONE and SAVINO received bribes, including a total of \$40,000 in cash payments and a promise of a total of \$40,000 more in cash payments, and TABONE and SAVINO each promised that, in return for those payments, through the use of his official office with a Republican Party county committee, he would obtain and attempt to obtain a Wilson Pakula certificate, allowing SMITH to run for New York City Mayor as a Republican even though he was a registered Democrat; and

d. In exchange for the payment of the bribes to SAVINO and TABONE, SMITH agreed to use his official office as a New York State Senator to help obtain state funds for a road project in Spring Valley, New York that would benefit a real estate project that SMITH understood was being built by the UC's company in Spring Valley (the "Real Estate Project").

Overt Acts

5. In furtherance of the conspiracy and to effect the illegal objects thereof, MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE, and JOSEPH J. SAVINO, the defendants, together with others known and unknown, committed the following overt acts, in the Southern District of New York and elsewhere:

a. On or about November 16, 2012, MALCOLM A. SMITH, the defendant, met the CW and the UC at a hotel in White Plains, New York. At the conclusion of that meeting, SMITH asked the CW to contact a Republican Party county chairman

¹ The certificates' name is a reference to the Wilson Pakula Act of 1947, a New York State law that was sponsored by then-State Senator Irwin Pakula and then-Assemblyman Malcolm Wilson. As described in paragraph 18 below, the Wilson Pakula Act requires a candidate who seeks to run for a New York City-wide office as a member of a party to which the candidate does not belong to obtain authorization by a majority vote of those present at a joint meeting of the executive committees of each of the New York City county committees of the party on whose ballot line the candidate seeks to run.

("County Chairman #1") to try to "change him" by convincing County Chairman #1 to support SMITH rather than another candidate for New York City Mayor whom County Chairman #1 had publicly supported.

b. Later that day, DANIEL J. HALLORAN, the defendant, met the UC at a restaurant in Queens, New York, in order to receive a bribe in exchange for taking unrelated official action. During the meeting, the UC asked HALLORAN if he knew County Chairman #1 and HALLORAN said that he knew both County Chairman #1, and JOSEPH J. SAVINO, the defendant. HALLORAN agreed to ask County Chairman #1 and SAVINO what they would want in exchange for their support for a mayoral candidate.

c. Later that day, the UC met SMITH at a hotel in Manhattan, and told SMITH that the UC could arrange a meeting with County Chairman #1 and SAVINO during which the UC would attempt to negotiate their support for SMITH, and SMITH told the UC "You pull this off, you can have the house. . . . I'll be a tenant."

d. On or about January 25, 2013, SMITH met the CW in SMITH's car in Rockland County, New York. During the meeting, the CW told SMITH that getting Wilson Pakula certificates for SMITH from the Republican county committee leaders would cost "a pretty penny" and SMITH, in response to the question "It's worth any price?" replied: "Look, talk to me before you close it. But it's worth it. Because you know how big a deal it is."

e. On or about February 8, 2013, HALLORAN met the CW and the UC at a hotel in Manhattan and told the CW and the UC, in part and in substance, that, in exchange for signing Wilson Pakula certificates, SAVINO wanted \$25,000 "in an envelope," and TABONE wanted \$50,000 with half of the money before he signed the Wilson Pakula certificate and the other half after.

f. On or about February 10, 2013, SMITH met the CW and the UC in a hotel room in Manhattan. During the meeting, the UC explained, in substance, that a Wilson Pakula certificate from each of the Republican county committee leaders would cost a significant amount of money paid to the leaders of those committees, and that the payments would be structured so that half of the money would be paid immediately and half after the Wilson Pakula

certificate was signed. SMITH suggested, in substance, structuring the payments as retainer payments for legal and accounting services and not paying the leaders more than \$10,000 initially. SMITH also agreed to use his official position to help obtain New York State funds for the Real Estate Project.

g. On or about February 14, 2013, SAVINO met the CW and the UC at a restaurant in Manhattan and, shortly thereafter, accepted from the UC \$15,000 in cash in the UC's car.

h. On or about February 14, 2013, TABONE met the CW and the UC at a restaurant in Manhattan and, shortly thereafter, accepted from the UC \$25,000 in cash in the UC's car.

i. On or about February 17, 2013, SMITH and the UC had a telephone conversation while the UC was in North Carolina. During the conversation, SMITH and the UC discussed a future meeting between the UC and the New York State Senator who represents the Spring Valley, New York area (the "Spring Valley Senator") concerning the state funding for the Real Estate Project.

j. On or about March 21, 2013, SMITH, the UC and the CW met in SMITH's State Senate office in Albany, New York. During the meeting, SMITH discussed with the UC and the CW the payments they had made on his behalf and whether the committee leaders were delaying providing Wilson Pakula certificates because they were looking to be paid more. SMITH instructed the UC and the CW not to pay the committee leaders any more money until the UC and CW "close[d] the . . . deal." SMITH also said that, before a committee leader received "even a nickel more, [he'd] have to stand on the Empire State Building and drop every person [he] endorsed and hold Malcolm up and say he's the best thing since sliced bread. Matter of fact, he's better than sliced bread."

k. On several occasions throughout the relevant time period, SMITH and HALLORAN placed telephone calls and sent text messages to the UC while the UC was in North Carolina.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Wire Fraud - New York City Political Party Officials)

6. From in or about November 2012 through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE and JOSEPH J. SAVINO, the defendants, together with others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and to deprive the New York City Republican Party county committees and members of the Republican Party of the honest services of leaders of such county committees, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, to wit, telephone calls and text messages.

(Title 18, United States Code, Sections 1343, 1346 and 2.)

COUNT THREE

(Hobbs Act Extortion - New York State Transportation Money)

7. From in or about November 2012 through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, MALCOLM A. SMITH, the defendant, knowingly obstructed, delayed, and affected commerce and the movement of an article and commodity in commerce, by extortion, as that term is defined in Title 18, United States Code, Section 1951(b) (2), and attempted so to do, to wit, the UC and the CW paid bribes on SMITH's behalf to obtain for SMITH authorization to run for New York City Mayor as a Republican in return for SMITH using his official position to help the UC and CW obtain, among other things, New York State funds that would benefit the Real Estate Project.

(Title 18, United States Code, Sections 1951(a) and 2.)

COUNT FOUR

(Wire Fraud - New York City Council)

8. From in or about August 2012 through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, DANIEL J. HALLORAN, the defendant,

together with others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, and to deprive the citizens of New York City and the New York City Council of the honest services of HALLORAN, a member of the New York City Council, for the purpose of executing such scheme and artifice and attempting so to do, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, to wit, for the purpose of executing a scheme to obtain money for himself in exchange for the award of New York City Council discretionary funds, HALLORAN emailed two letters, dated in October 2012 and November 2012 respectively, the latter of which asked for the assistance and consultation of a company purportedly controlled by the UC, and promised to allocate, in order to pay the company, New York City Council discretionary funding up to \$40,000 to \$80,000 during fiscal year 2013-2014.

(Title 18, United States Code, Sections 1343, 1346 and 2.)

COUNT FIVE

(Mail Fraud - Spring Valley Real Estate Project - Jasmin)

9. From in or about August 2011, through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, NORAMIE JASMIN, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, and to deprive the Village of Spring Valley, New York (the "Village") and its citizens of the honest services of JASMIN, the Mayor of the Village and a member of the Village's Board of Trustees, for the purpose of executing such scheme and artifice and attempting so to do, placed in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and deposited and caused to be deposited a matter and thing to be sent and delivered by private and commercial interstate carrier, and took and received therefrom, such matter and thing, and caused to be delivered by mail and such carrier according to the direction thereon, and at the place at which it was directed to be delivered by the person to whom it was addressed, such matter and thing, to wit, for the purpose of executing a scheme in which JASMIN voted in favor of the sale of Village land to a

company purportedly constructing the Real Estate Project in exchange for an undisclosed ownership interest in such company and further agreed to steer New York State funds to such company, JASMIN caused a contract for the sale of such Village land to be mailed.

(Title 18, United States Code, Sections 1343 and 1346.)

COUNT SIX

(Mail Fraud - Spring Valley Real Estate Project - Desmaret)

10. From in or about August 2011, through on or about the date of the filing of this Complaint, in the Southern District of New York and elsewhere, JOSEPH DESMARET, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, and to deprive the Village of Spring Valley, New York and its citizens of the honest services of DESMARET, the Deputy Mayor of the Village and a member of the Village's Board of Trustees, for the purpose of executing such scheme and artifice and attempting so to do, placed in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and deposited and caused to be deposited a matter and thing to be sent and delivered by private and commercial interstate carrier, and took and received therefrom, such matter and thing, and caused to be delivered by mail and such carrier according to the direction thereon, and at the place at which it was directed to be delivered by the person to whom it was addressed, such matter and thing, to wit, for the purpose of executing a scheme in which DESMARET received cash payments in exchange for his vote in favor of the sale of Village land to a company purportedly constructing the Real Estate Project and further agreed to steer New York State funds to such, DESMARET caused a contract for the sale of such Village land to be mailed.

(Title 18, United States Code, Sections 1341 and 1346.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

11. I am a Special Agent with the FBI, and I have been involved in the investigation of the above-described offenses. During the course of my career with the FBI, I have been involved in numerous public corruption and undercover

investigations, which involved the use of various investigative techniques, including the use of consensual recordings, covert surveillance, and examination of financial and telephone records. I am familiar with the facts and circumstances set forth below from my personal participation in the investigation, including my review of pertinent documents, and from my conversations with fellow law enforcement officers.

12. Since in or about 2011, I and other law enforcement officials have been conducting an investigation into public corruption at the local, city, and state levels within New York.

13. One method employed during this investigation has been the use of the CW. On March 11, 2013, the CW pled guilty, in the United States District Court for the Southern District of New York, pursuant to a cooperation agreement with the Government, and has, both before and since, been providing information and cooperating with law enforcement in the hope of obtaining a more lenient sentence. During the course of the CW's cooperation, the CW has provided information to the Government that has been corroborated by other sources.

14. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

15. Unless otherwise indicated, the conversations described below were recorded under the supervision of FBI agents and monitored by FBI agents, and I have reviewed those recordings.

Background

The Defendants

16. MALCOLM A. SMITH, the defendant, is a Democratic member of the New York State Senate (the "NYS Senate") and Chairman of the Independent Democratic Conference. SMITH represents a district in Queens County, New York. First elected to the NYS Senate in 2000, SMITH has remained a member of the NYS Senate since then, having been elected to seven successive two-year terms. During his tenure with the NYS Senate, Smith has been, at various times, minority leader, majority leader,

President Pro Tempore, and acting Lieutenant Governor under former Governor David A. Patterson. As a State Senator, SMITH's official duties have included, among other things, voting on legislation, representing and advocating for the interests of constituents, and reviewing and acting upon requests from public and private applicants seeking support and state funding for development projects within New York State.

17. MALCOLM A. SMITH, the defendant, serves on the NYS Senate's Standing Committee on Transportation (the "Transportation Committee") and is the Vice Chairman of the NYS Senate's Finance Committee.

18. MALCOLM A. SMITH, the defendant, has publicly discussed the possibility of running for Mayor of New York City this year on the Republican ticket. Because he is a registered Democrat, pursuant to New York Election Law § 6-120(3), SMITH cannot run for New York City Mayor as a Republican absent the written consent of three of the city's five Republican Party county chairmen. That consent is commonly referred to as a "Wilson Pakula certificate."

19. On or about November 3, 2009, DANIEL J. HALLORAN, the defendant, was elected to the New York City Council as a Council Member representing the 19th Council District in Queens, New York. As a member of the City Council, HALLORAN's official duties have included voting on legislation, representing and advocating for the interests of constituents, and allocating New York City discretionary funds. In 2012, HALLORAN ran for Congress in New York's 6th Congressional District. Prior to joining the City Council, HALLORAN served as an officer with the New York City Police Department.

20. VINCENT TABONE and JOSEPH J. SAVINO, the defendants, are Republican Party officials in New York City. SAVINO is the Chairman of the Bronx County Republican Party and TABONE is the Vice Chairman of the Queens County Republican Party. As Chairman and Vice Chairman, their official duties include, among other things, endorsing candidates for public office, including New York City Mayor, and voting on Wilson Pakula certificates.

21. On or about December 7, 2009, NORAMIE JASMIN, the defendant, was sworn in as Mayor of the Village of Spring Valley, New York and JOSEPH DESMARET, the defendant, was sworn in as Deputy Mayor of the Village. As Mayor and Deputy Mayor, JASMIN's and DESMARET's official duties include representing and advocating for the interests of Village residents, and voting,

as members of the Village Board of Trustees, on matters that affect the Village, including the sale of public lands. In addition, as Mayor, JASMIN's official duties include negotiating contracts between the Village and private developers.

The Governmental Entities

22. The New York State legislature is comprised of an upper house, the State Senate, and a lower house, the Assembly. The State Senate is currently comprised of 63 members elected for two-year terms.

23. The New York City Council (the "City Council") is the legislature for the City of New York. New York City is divided into fifty-one separate Council Districts and the City Council is comprised of fifty-one elected members, each of whom holds the title Council Member. Members of the City Council have the authority to approve discretionary funding for community-based not-for-profit, public service organizations that benefit New York City residents.

24. The government of the Village of Spring Valley – a municipality of approximately 30,000 residents in Rockland County, New York – is controlled by a Mayor, Deputy Mayor, and a Board of Trustees consisting of five members, two of whom are the Mayor and Deputy Mayor.

25. As described further below, the investigation has revealed: (a) that MALCOLM A. SMITH, the defendant, has engaged in bribery and a conspiracy to commit bribery in an effort to appear on the Republican ballot for New York City Mayor in 2013, and used his official office as State Senator to assist the individuals who provided the money for those bribes; (b) DANIEL J. HALLORAN, the defendant, has accepted bribes in exchange for the use of his official office as New York City Council Member to allocate City funds and, in exchange for cash payments totaling tens of thousands of dollars, has assisted SMITH bribing others in an effort to appear on the Republican ballot for New York City Mayor; (c) VINCENT TABONE and JOSEPH J. SAVINO, the defendants, accepted cash bribes totaling \$40,000 in exchange for their agreement to use their offices as Chairman and Vice Chairman of Republican Party county committees to approve SMITH as a Republican candidate for New York City Mayor; and (d) NORAMIE JASMIN and JOSEPH DESMARET, the defendants, accepted money and property in exchange for using their official positions as Mayor and Deputy Mayor, and members of the Board of Trustees of Spring Valley, New York, to approve a real estate

transaction in which JASMIN had an undisclosed financial interest.

The Spring Valley Real Estate Project Conspiracy

26. On or about August 5, 2011, NORAMIE JASMIN, the defendant, met with the CW at a restaurant in Rockland County. During the meeting, JASMIN and the CW discussed a parcel of property in the Village that JASMIN had previously told the CW she intended to acquire for the Village through eminent domain. Specifically, JASMIN told the CW that she was going to obtain the property for the Village and then take bids from private developers to acquire and develop the property. JASMIN told the CW: "The one that I like I'm going to pick. So, if I like yours, I pick you. . . . If I don't like it you can stick [it] where the sun doesn't shine."

27. On or about January 18, 2012, JOSEPH DESMARET, the defendant, met the CW in the CW's car in Rockland County, New York. During the meeting, the CW told DESMARET: "I'm gonna have certain things coming to the Board that I need . . . you to vote with me. . . . It's gonna be a . . . building project and it might be a little bit controversial. . . . How much will it take me to get it done?" DESMARET responded: "I know the project and I love the project and, uh, you want to do it as a partner or you want to do it by yourself?" The CW told DESMARET that the CW wanted to do the project by himself. Later in the conversation DESMARET asked the CW "What is the chance that what we say here, what we talk here stay here?" DESMARET later said to the CW: "Make an offer." The CW suggested \$10,000, and DESMARET then asked for \$20,000.

28. On or about February 3, 2012, NORAMIE JASMIN, the defendant, met the CW at the hotel in Suffern, New York. During the meeting, JASMIN and the CW discussed JASMIN using her authority as Mayor to sell a second parcel of Village land to the CW to develop into a community center, a project referred to in paragraph 4.d) above as the Real Estate Project. In exchange for her assistance, JASMIN told the CW that she wanted to be a "partner, to build it together." Later in the conversation, the CW asked JASMIN "[W]hat is, like, what's our thing?" and JASMIN replied "[L]et's say the project is gonna take like a year to build, instead of waiting, like, I can schedule for you . . . the zoning thing, for everything to go smoothly for you. That's that."

29. On or about February 14, 2012, NORAMIE JASMIN, the defendant, met the CW at the hotel in Suffern, New York. During the meeting, JASMIN and the CW discussed the terms of their partnership in the Real Estate Project. When the CW suggested that he personally purchase a piece of related property, JASMIN stated: "So for me, it's better for us to partner, that's what I said to you before; a partnership will be best . . . [W]e can have the partnership going, but if you buy that, then it will be totally private for you to take everything and then you do. whatever you want and next thing I know, my name will not be there, it will be [the CW]."

30. On or about February 28, 2012, JOSEPH DESMARET, the defendant, met the CW in the CW's car in Suffern, New York. During the meeting, the CW paid DESMARET \$1,000 in cash pursuant to a prior corrupt agreement² and \$5,000 in cash as partial payment of the bribe described in paragraph 27 above. The CW said to DESMARET: "I gotta make sure that nobody else that, you know, stand up, somebody else might want to jump on it . . . to maybe give you another offer." DESMARET responded: "No, they won't get the vote. . . . It's a done deal."

31. On or about March 20, 2012, NORAMIE JASMIN, the defendant, met the CW at the hotel in Suffern, New York. During the meeting, JASMIN and the CW discussed the financial stake that each of them would have in the Real Estate Project. The CW suggested that JASMIN receive a 20% stake in the project, and JASMIN replied "Partnership is fifty fifty, right?" JASMIN and the CW also discussed forming a series of companies with ownership interests in a single company (the "Holding Company") to hide the identities of the true owners of the Real Estate Project. JASMIN stated: "[an] LLC under my name is not good under that." Instead, she suggested using the identity of a relative (the "Relative") with whom she does not "have the same . . . last name . . . But, uh, be careful." The CW told JASMIN that forming the company that would hold her interest would cost \$600 and JASMIN offered to pay for the incorporation. At the end of the meeting, JASMIN told the CW that she would give him a cellphone that she said was "solely" for the CW to use to communicate with her about the Real Estate Project. On or about June 21, 2012, JASMIN met the CW in Manhattan and handed him a cellphone.

32. During the March 20, 2012 meeting, NORAMIE JASMIN, the defendant, also discussed with the CW the manner in which the

² The agreement that gave rise to the \$1,000 payment is unrelated to the charges herein.

Real Estate Project would be presented to the Village Board of Trustees. JASMIN told the CW:

I need something that will not attach you to anything. Let's say okay and they say yes, we can do it, and I will put something out there . . . and then, uh, maybe two, three developers will come in. I will pick you, you understand? . . . So, so I will tell you ahead of time this is how you have to present it, this is how, what we have to do. Again, so we can move forward. Are you comfortable with that?

33. On or about March 23, 2012, NORAMIE JASMIN, the defendant, met the CW in the parking lot of the Spring Valley Village Hall in Spring Valley, New York. JASMIN handed the CW an envelope containing the name and Social Security number of the Relative and \$600 in cash.

34. In accordance with the plan agreed upon by NORAMIE JASMIN, the defendant, and the CW, on or about July 23, 2012, an application to incorporate the Holding Company was sent to the Delaware Department of State. On or about July 24, 2012, the Holding Company was incorporated in the State of Delaware. On or about August 15, 2012, the Holding Company was registered as an active business with the New York Department of State.

35. On or about October 21, 2012, JASMIN, the CW and the UC met at the hotel in White Plains, New York, and on or about October 22, 2012, JASMIN, the CW and the UC met at the hotel in Suffern, New York. Two other undercover FBI agents posing as associates of the UC attended portions of the meetings. During the meetings, JASMIN, the UC, the CW and the additional undercover agents agreed that those two undercover agents would appear before the Village Board of Trustees posing as developers unrelated to the UC (the "Straw Developers"). During the meetings, JASMIN coached the UC and the Straw Developers on how to make their presentations to the Village Board of Trustees. JASMIN told the UC that it was important that the UC and the Straw Developers appear as if they were "separate entities coming to . . . bid on that thing." She also instructed the UC that when describing how he became interested in the Real Estate Project he should say he saw an advertisement in a newspaper. When asked if the UC should behave at the meeting as if he had never met JASMIN, JASMIN replied "Oh, I can assure you, I don't know you at all." Finally, she told the UC that she mailed a copy of the proposed contract between the Village and the

Holding Company for the Real Estate Project, and the UC should take that copy to the Board meeting.

36. On or about October 23, 2012, NORAMIE JASMIN and JOSEPH DESMARET, the defendants, attended a meeting of the Village Board of Trustees. During the meeting, the UC and the Straw Developers presented plans for the Real Estate Project. According to the minutes of that meeting, JASMIN then told the Board of Trustees that she and the other members of the Board of Trustees had just "carefully interviewed" the potential developers and that she sought their approval to negotiate a contract with the Holding Company, which she described as "a reputable company who is willing to work with the Village of Spring Valley" JASMIN also told a fellow Board member that she "cannot sit behind closed doors with a developer to negotiate on behalf of the Board. . . . The Board of Trustees has to be aware of [sic] all the time, so therefore, I am not going to do that." At no point during the meeting did JASMIN disclose her prior relationship with the CW, the UC and the Straw Developers or her interest in the Holding Company. Both JASMIN and DESMARET voted in favor of JASMIN's proposal to negotiate a development contract with the Holding Company.

37. On or about November 28, 2012, the Village Attorney mailed a proposed contract for the sale of the Village property on which the Real Estate Project would be built to the Holding Company.

38. On or about February 25, 2013, NORAMIE JASMIN, the defendant, met with the CW at a hotel in Suffern, New York. During the meeting JASMIN agreed to steer to the Holding Company the New York State funding that MALCOLM A. SMITH had agreed to help the UC and CW obtain as described in paragraph 63, below.

39. On or about March 6, 2013, JOSEPH DESMARET, the defendant, met with the UC and the CW at a hotel in Suffern, New York. During the meeting DESMARET agreed to steer to the Holding Company the New York State funding that MALCOLM A. SMITH had agreed to help the UC and CW obtain as described in paragraph 63, below. In exchange, the UC paid DESMARET \$500.

40. On or about the following dates, JOSEPH DESMARET, the defendant, met the CW at the following locations and received the following cash payments during recorded conversations:

Date	Amount	Location
February 28, 2012	\$5,000	Suffern, New York
April 27, 2012	\$1,000	Suffern, New York
August 9, 2012	\$1,600	Suffern, New York
October 23, 2012	\$500	White Plains, New York
December 12, 2012	\$1,000	Suffern, New York
January 22, 2013	\$900	Suffern, New York
March 6, 2013	\$500	Suffern, New York

The New York City Council Consulting Contract Bribe Scheme

41. On or about September 7, 2012, DANIEL J. HALLORAN, the defendant, met the CW at a restaurant in Manhattan. During the meeting, Halloran explained to the CW that he was seeking matching funds for his congressional campaign from the Republican Party. The CW stated "But the one thing is, you're running on cash" HALLORAN responded "Yeah, cash is the big thing right now, raising money." The CW offered to give HALLORAN money for his campaign. The CW also requested that HALLORAN agree to hire someone of the CW's choosing for a paid congressional staff position or some equivalent position. The CW mentioned the possibility of getting someone a position related to special education and HALLORAN responded: "You know, I sit on the mental health committee with the Council. . . . You know, I fund QSAC which is an autism program in, in my district. Those are things that we can definitely, those are places we could work." The CW stated "I have your word you'll help me in whatever it is?" HALLORAN responded: "Absolutely, whatever you need." The CW later asked HALLORAN if he could get for the CW discretionary funding from the City Council budget and HALLORAN responded: "Yeah." After listing various projects that he funds through City Council discretionary funding, HALLORAN stated "So now you come in and tell me what we got to do. Not an issue, not an issue." Later in the conversation, HALLORAN said:

That's politics, that's politics, it's all about how much. Not about whether or will, it's about how much, and that's our politicians in New York, they're all like that, all like that. And they get like that because of the drive that the money does for everything else. You can't do anything without the fucking money."

During the meeting, the CW paid HALLORAN \$7,500 in cash. Near the end of the conversation, HALLORAN remarked "Money is what greases the wheels – good, bad, or indifferent."

42. On or about September 27, 2012, DANIEL J. HALLORAN, the defendant, met the CW and the UC at a hotel in Manhattan. During the meeting, the UC gave HALLORAN \$6,500 in checks. The UC told HALLORAN, in substance, that the UC gave his own money to other individuals in exchange for the checks written on their accounts that he had just given to HALLORAN so that the UC's name would not appear in any campaign finance report. The CW later asked HALLORAN for \$20,000 from the City Council discretionary fund and HALLORAN said: "Absolutely, that's easy, that's not even an issue, not even an issue. . . . In fact, . . . I might even be able to get you more." HALLORAN then suggested that he could call in favors from other council members to increase the size of the discretionary fund allocation. HALLORAN concluded: "You tell me how you want me to do it, that's what we'll do." HALLORAN then told the CW to get him a tax identification number, name and address of a corporation, and an application for discretionary funding "so that there's no questions, it raises no flags, and everybody's got it the way it's gotta be. You do it the right way, not a problem, then you will definitely have my, my member item." HALLORAN, the UC, and the CW then raised their glasses and the CW said, "Pleasure doing business with you."

43. On or about October 18, 2012, DANIEL J. HALLORAN, the defendant, met the CW and the UC at a restaurant in Queens, New York. During the meeting, HALLORAN suggested, in substance, that HALLORAN give discretionary money from the City Council to the UC and the CW by granting them a contract to perform consulting work on a senior center in Queens (the "Senior Center Project"). The UC told HALLORAN, in substance, that the UC did not intend to do any work on the project but was instead interested in a "no show" job. HALLORAN then told the UC that the senior center project in his district might provide what the UC was looking for. During the meeting the UC paid HALLORAN \$800 in cash.

44. On or about October 23, 2012, DANIEL J. HALLORAN, the defendant, emailed to the Holding Company a letter on New York City Council letterhead concerning the Senior Center Project that was addressed to three civic organizations. The letter stated, in part, that "our office intends to allocate \$1 Million in capital money to the acquisition and improvement of the facility. I will also allocate discretionary funding as needed up to our allotment of \$80,000 in fiscal year 2013 to get the project off the ground."

45. On or about October 23, 2012, DANIEL J. HALLORAN, the defendant, sent text messages to the CW, including "Better be 20," "I got more than you expected on this project," and "At LEAST." Based on my training, experience, and participation in this investigation, I understand "20" to be a request for a \$20,000 payment from the CW and the UC.

46. On or about November 11, 2012, DANIEL J. HALLORAN, the defendant, emailed a letter to the Holding Company, on New York City Council letterhead, stating that "I am requesting your company's assistance and consultation on the project. . . . I will . . . allocate discretionary funding as needed up to our allotment of \$40,000-\$80,000 in fiscal year 2013-14 to get the project off the ground working with you to facilitate this project and work with us in implementing the acquisition, renovation, and initial setup-operation of the facility and the relevant Not For Profits who will subsequently occupy and utilize the facility."

47. On or about the following dates, DANIEL J. HALLORAN, the defendant, received the following payments in connection with the above-described scheme as well as the scheme to bribe New York City Republican Party committee leaders described below, in the forms listed below, during recorded conversations with the CW and the UC at the following locations:

Date	Amount	Form	Location
September 7, 2012	\$7,500	Cash	Manhattan
September 27, 2012	\$6,500	Checks to HALLORAN's congressional campaign	Manhattan
October 18, 2012	\$800	Cash	Queens
November 16, 2012	\$10,000	Cash	Queens
January 25, 2013	\$5,000	Cash	Manhattan
February 10, 2013	\$500	Cash	Manhattan
February 15, 2013	\$15,000	Cash	Manhattan

The Conspiracy to Bribe New York City Political Party Officials

48. On or about November 16, 2012, MALCOLM A. SMITH, the defendant met with the UC and the CW at a hotel in White Plains, New York. During the meeting, SMITH discussed his ambition of running for Mayor of New York City as a Republican even though he is a registered Democrat. As described in paragraph 18 above, in order to do so, SMITH needed the approval of the leaders of three of the five New York City Republican county committees. During the conversation, SMITH told the CW that County Chairman #1 was supporting someone else. When the CW suggested that the CW could influence County Chairman #1, SMITH responded: "If you can change him, call me. Seriously." The CW said that the CW knew someone close to County Chairman #1, and SMITH said: "I need you to make that phone call. . . . If you can change him that would be huge." A short time later, SMITH reiterated, "If you can switch him, if you can switch him, that would be huge."

49. Later on November 16, 2012, the UC met DANIEL J. HALLORAN, the defendant, in Queens, New York. At the meeting, the UC paid HALLORAN \$10,000 in cash for having written the letter described in paragraph 46 above. During the meeting, the UC thanked HALLORAN for having written the letter and, in particular, for having increased the amount of the allocation of City Council discretionary funds from \$20,000 to up to \$80,000. The UC also asked HALLORAN if he knew County Chairman #1. HALLORAN said that he knew County Chairman #1 well, and HALLORAN said, in substance, that he could find out what it would take to obtain County Chairman #1's support for a candidate for New York City Mayor. The UC and HALLORAN also discussed HALLORAN contacting JOSEPH J. SAVINO, the defendant, for the same purpose.

50. Later on November 16, 2012, the UC met again with MALCOLM A. SMITH, the defendant, at a hotel in Manhattan to report to SMITH about the UC's discussion earlier that day with DANIEL J. HALLORAN, the defendant. During the conversation, the UC stated: "I mean you have to tell me how far, how much you want to push. Where you want to see [County Chairman #1] move, a little bit or a lot, and then I'll make it happen." SMITH responded: "I want him done. I want him done. I want him to say, 'You know what, Malcolm, we did make a commitment to you early on We're going back to that.' That's what I want him to do." Later in the conversation, the UC stated: "Look, what I, what I need to know is, if it's a small thing, that's fine. Do I

. . . is this worth going to the bank for?" SMITH replied:
"This is a big thing."

51. On January 25, 2013, the CW and MALCOLM SMITH, the defendant, met in Rockland County, New York and SMITH encouraged the CW to explore possible payments to the committee leaders in exchange for the committee leaders approving a Wilson Pakula certificate for SMITH. At that meeting, in part and substance, the following conversation took place:

CW: Savino's in You know. So, uh, met Tabone.

SMITH: Okay.

CW: All business.

SMITH: Right.

CW: Uh, is it worth it?

SMITH: Yeah!

CW: It's a pretty penny.

SMITH: Yeah, it's worth it as long as they're going to do it. They can't, you know. Don't . . .

CW: Tabone is swearing he, like, that he controls or he's [the Queens County Republican Party Chairman] . . .

SMITH: Yeah, he does, he does.

CW: And he says he can bring Manhattan . . . in, he says.

SMITH: Yeah, he does, he does.

CW: Because Manhattan is the easiest. The [New York County Republican Party Chairman] is.

SMITH: He can do it, can do it. But he'd have to do it. He can't tell you he's going to do it and then doesn't do it. Then you've wasted, it's a waste. You know, don't waste a pretty penny. But he can do it, there's no question.

CW: It's worth any price?

SMITH: Look, talk to me before you close it. But it's worth it. Because you know how big a deal it is.

52. On January 25, 2013, an undercover FBI agent ("UC-2") posing as a courier for the UC met with DANIEL J. HALLORAN, the defendant, in Manhattan. UC-2 delivered to HALLORAN \$5,000 in cash for HALLORAN's agreement to arrange meetings with JOSEPH J. SAVINO and VINCENT TABONE, the defendants.

53. On January 31, 2013, the UC and DANIEL J. HALLORAN, the defendant, met at a restaurant in Queens, New York to discuss making payments to VINCENT TABONE and JOSEPH J. SAVINO, the defendants. HALLORAN told the UC, in substance, that TABONE wanted \$100,000 paid to TABONE and \$50,000 paid to the Queens County Republican Party. HALLORAN also said that he believed that SAVINO would need to be paid only \$15,000 or \$20,000. HALLORAN made clear that he wanted to be compensated for brokering the deals. When asked, in substance, what he wanted in order to broker the deals with TABONE and SAVINO, HALLORAN said he wanted to get his "mortgage situation resolved." HALLORAN also noted that if MALCOLM A. SMITH, the defendant, were to be elected mayor, HALLORAN would expect that, if HALLORAN asked, SMITH would appoint him as Deputy Police Commissioner.

54. On February 1, 2013, the UC and DANIEL J. HALLORAN, the defendant, met with JOSEPH J. SAVINO, the defendant, at a restaurant in Manhattan. The meeting was arranged by HALLORAN. During the meeting, the UC, SAVINO, and HALLORAN discussed getting MALCOLM A. SMITH, the defendant, on the Republican ballot. SAVINO, in substance, said that if the UC purchased insurance from SAVINO's insurance agency or sent work to his law firm, that would make things "very easy." SAVINO also stated that "everyone has to pay their mortgage" and suggested that the UC also pay a retainer to another Republican county chairman ("County Chairman #2") in order to gain County Chairman #2's support for a Wilson Pakula certificate for SMITH.

55. Later on February 1, 2013, the UC and DANIEL J. HALLORAN, the defendant, met with VINCENT TABONE, the defendant, in Manhattan to discuss whether TABONE would approve a Wilson Pakula certificate for MALCOLM A. SMITH, the defendant. DANIEL J. HALLORAN, the defendant, arranged the meeting. During the meeting TABONE, HALLORAN and the UC discussed the possibility of TABONE obtaining a Wilson Pakula certificate for SMITH.

56. On February 5, 2013, the UC spoke by telephone with DANIEL J. HALLORAN, the defendant, and HALLORAN reported that he had spoken with, among others, VINCENT TABONE and JOSEPH J. SAVINO, the defendants, and they had "agreed to do what [HALLORAN] had asked." HALLORAN emphasized that he and the UC needed to move forward "ASAP" and that he wanted to meet directly with MALCOLM SMITH, the defendant. HALLORAN and the UC also agreed, in substance, that payments to the committee leaders on behalf of SMITH would be made through the UC and HALLORAN. The UC told HALLORAN that the UC needed a "number" from HALLORAN with respect to the payment to VINCENT TABONE, the defendant. The UC further told HALLORAN that he had to help the UC with "the numbers, though, you've got help me manage them. Make sure [the committee leaders] don't go too crazy." HALLORAN responded, "I will do my end of making sure all that works the right way."

57. On February 8, 2013, the CW and the UC met with DANIEL J. HALLORAN, the defendant, in Manhattan. HALLORAN stated, in substance, that they would probably be able to get all five New York City Republican Party county chairmen to sign a Wilson Pakula certificate for MALCOLM A. SMITH, the defendant. In response, the UC stated, "I'm hearing my price just went up." HALLORAN explained that, "in some way[s], it went down," because only three of the five chairmen were requiring payments. HALLORAN then gave the following instructions to the CW and the UC: "So, look, you gotta, you gotta get [SAVINO] business but put twenty-five in an envelope. . . . [TABONE] is twenty-five up front, twenty-five when the Wilson Pakula is delivered. So, he wants, and he doesn't care about [the Queens County Republican Party] getting anything at this point." Finally, HALLORAN indicated that he believed that it "would be wise" for SMITH to make HALLORAN a deputy mayor if SMITH were elected and that the Republican Party would expect that SMITH would make certain that fifty percent of his key appointments were set aside for Republicans.

58. On or about February 10, 2013, the UC and the CW met with MALCOLM A. SMITH, the defendant, in a hotel room in Manhattan. SMITH was accompanied by a bodyguard, but the bodyguard waited in a separate room. SMITH, the UC and the CW discussed having the committee leaders sign Wilson Pakula certificates to get SMITH on the Republican ballot. The UC told SMITH, "We have all five" and that DANIEL J. HALLORAN, the defendant, was "the one to make this whole thing happen." The UC further stated, "I have a number from every one of them" and that, in total, it would cost in the range of "two hundred

grand." As described further below, the UC, the CW and SMITH discussed: (a) directing the payments to the committee leaders personally and not to the Republican Party; (b) making partial payments to ensure that the committee leaders actually obtained Wilson Pakula certificates for SMITH; (c) keeping the payments secret; and (d) making an appropriate payment to VINCENT TABONE, the defendant, whose support SMITH thought was particularly important.

59. During the conversation, the UC told SMITH that the payments would be made to the committee leaders personally and not to the party. For example, the UC said: "We've gone away from giving some donations to parties. I didn't want to get involved with that mess." The UC also told SMITH that the payments would be to committee leaders "who have financial needs and want to be taken care of." The UC mentioned that these needs included college tuition for one committee leader and mortgage payments for another.

60. During the conversation, the UC also told SMITH that the payments would be structured so that they would be "half up front" and the "other half" would be after the committee leaders "deliver." The UC said that he would tell the committee leaders: "[Y]ou're going to get half now and when you deliver, you'll get the other half." In response, SMITH said, "Right." Later in the conversation, SMITH cautioned, "I wouldn't give them more than like ten, just to, just to start out. . . ."

61. During the conversation, the UC and SMITH also discussed that payments would be made such that there would be "no trace back" to SMITH, the UC or the CW. SMITH suggested that the payments be made via retainer agreements between the committee leaders and the UC leaving no connection to SMITH. The UC said that the UC did not want any written contracts to tie the UC and the committee leaders together and SMITH suggested that the agreements could be done "on a handshake." When the discussion returned to the topic of making sure that the committee leaders actually followed through and delivered the Wilson Pakula certificates, SMITH suggested, "hav[ing] them sign a piece of paper or something." The UC responded: "No, no, I'm not signing anything," and SMITH replied: "That's true, you don't want to do that."

62. At one point during the conversation, the CW, the UC and SMITH discussed the possibility of a prominent person endorsing SMITH's candidacy for mayor. The CW told SMITH that TABONE indicated that he "could deliver" this endorsement for

the "right amount." SMITH responded, "That's the one we need to do."

63. Immediately following the discussion of payments to the committee leaders, the CW and the UC asked SMITH to direct \$500,000 in New York State funding for improvement of a road that would benefit the Real Estate Project. SMITH said that it was "doable" and said that he would speak with the State Senator whose district encompasses Spring Valley (the "Spring Valley State Senator") to help get the funding allocated in the State budget.

64. Later on February 10, 2013, the UC and the CW met with DANIEL J. HALLORAN, the defendant, and MALCOLM A. SMITH, the defendant. The UC and the CW arranged the meeting at HALLORAN's request. After initial pleasantries, SMITH said to HALLORAN, "You've been busy," and HALLORAN responded that it had been "a heavy lift." HALLORAN explained, in substance, that he had believed that if three of the committee chairmen agreed to sign a Wilson Pakula certificate, then the other two chairmen would agree as well, and that everything had unfolded as HALLORAN had believed that it would. SMITH and HALLORAN went on to discuss, in substance, the importance of SMITH remembering the support of the Republican Party if he were to be elected.

65. The UC and DANIEL J. HALLORAN, the defendant, had a follow-up conversation after the meeting with MALCOLM A. SMITH, the defendant, described immediately above, during which they discussed scheduling meetings with VINCENT TABONE and JOSEPH J. SAVINO, the defendants, for the purpose of making payments to them. During this follow-up conversation, the UC made a \$500 cash payment to HALLORAN.

66. During the evening of February 14, 2013, the UC met with DANIEL J. HALLORAN and JOSEPH J. SAVINO, the defendants, at a restaurant in Manhattan. At one point during the evening, the UC and JOSEPH J. SAVINO, the defendant, both stepped outside of the restaurant so they could meet privately in the UC's car. In the car, the UC paid SAVINO \$15,000 in cash. SAVINO and the UC agreed that the UC would pay SAVINO an additional \$15,000 after SAVINO signed a Wilson Pakula certificate for SMITH. During that conversation, SAVINO, who is a lawyer, proposed that he would send the UC a retainer agreement for \$15,000 in legal services. The UC told SAVINO, "If you need some bullshit number, or something, to call it . . . just invoice me for something," and SAVINO responded, "Yeah, absolutely." The UC elaborated that "[i]f you want a number to call and say somebody

answered it, and you spent a couple of hours, whatever you need," and SAVINO responded, "Fantastic, good." Shortly thereafter, SAVINO said, "[Another County Chairman is] on board so we already got two."

67. Later during the evening of February 14, 2013, the UC met separately with VINCENT TABONE, the defendant, at the same restaurant in Manhattan. The UC suggested paying TABONE, "Twenty now, twenty later" and TABONE responded, "I was thinking twenty-five now, twenty five later." TABONE also told the UC that he would send the UC a retainer agreement for the money. The UC said that rather than pay a lump sum retainer, he would make an up-front payment and then pay the other "half" later. TABONE stated, in substance, that he was "making [a] commitment" to get SMITH a Wilson Pakula certificate. The UC asked whether TABONE, as the Vice Chairman of the Queens County Republican Party committee, could deliver a Wilson Pakula certificate, and TABONE said, "I run the Queens County Republican Party. Nobody else runs the party. I run the party." During the conversation, TABONE frisked the UC in an apparent effort to make sure that the UC was not recording their conversation. The UC was, in fact, recording the conversation.

68. During the evening, the UC and VINCENT TABONE, the defendant, stepped outside the restaurant to go to the UC's car where the UC paid TABONE \$25,000 in cash.

69. On February 15, 2013, DANIEL J. HALLORAN, the defendant, met the UC at a hotel in Manhattan. During the meeting, the UC paid HALLORAN \$15,000 in cash in exchange for HALLORAN having arranged the meetings the day before with JOSEPH J. SAVINO and VINCENT TABONE, the defendants.

70. On February 17, 2013, the UC and MALCOLM A. SMITH, the defendant, had a telephone conversation during which SMITH and the UC discussed how to carry out a conversation with the Spring Valley State Senator about the Real Estate Project. During the conversation, the UC and SMITH also discussed paying a bribe to County Chairman #1 and SMITH said, in substance, that County Chairman #1 should receive "less" than VINCENT TABONE and JOSEPH J. SAVINO, the defendants, and that County Chairman #1 should be told that he is receiving less because he would be the fourth chairman to sign a Wilson Pakula certificate, and SMITH only needed three signatures.

71. On March 21, 2013, MALCOLM A. SMITH, the defendant, met with the UC and the CW in SMITH's New York State Senate

office in Albany, New York. At the beginning of the meeting, SMITH raised the subject of the \$500,000 in state transportation funding that he had agreed to help the UC and the CW obtain to benefit the Real Estate Project. SMITH said:

I'm surprised you didn't see um, um, [the Spring Valley State Senator] . . . Why don't you use him up for your little road stuff. I bet ya he can. I think, I think I found another place for him to do it, too. Out of multi-modal money. . . . Multi-modal money is outside the budget and it's always around.

72. The conversation then turned to the New York City Republican county committee leaders. The UC told SMITH that, "April 3rd, they're going to meet. . . . They're going to get together. . . . They're going to do their little Kabuki dance. . . . They're going to discuss it. . . . And they got a hundred thousand dollar reasons to come out and say hey, here we go." SMITH replied, "You gave it to them already?" and the UC responded, "Yeah. Okay, now, no, no, I gave them - like we discussed - half. They gotta come through." Later in the conversation the UC said, "Right now they have a small upper hand, because they got the first half of their pay, but then once they get that, we need them to now, now I push their buttons." SMITH replied:

Whatever you gave them, you know, is there. And trust me, they don't, even if they screw, you know, let's just say they screwed you and me and said, you know, I'm not doing anything. The worst part about that is, when you screw somebody over money like that, . . . you know, that's the worst . . . you're looking over your shoulder all the rest of your life. . . . You're looking over your shoulder, because, because, not only that, this world is too small. . . . Yeah, the world is too small. And any time you do that, imagine you came to me and said, Malcolm, they screwed me. . . . I got them already asking me about judgeships, because you know judgeships now come through here, it comes through the governor.

73. Later in the conversation, SMITH said, "If they screw you, they screw . . . Listen, I'd rather them say, you know what, no I'm not gonna do it. But, I know they haven't said that, but they're screwed if they tried to play the game and string it along." The CW then said, "I think the only thing is, maybe a shake down for a little bit more." SMITH responded:

Yeah, but I wouldn't do. I wouldn't touch 'em. I wouldn't. You know what? I'd say I wouldn't even touch that. . . . I'd say absolutely not. I'd say I'm not giving you a freaking dime. I'd say, if I even give you a nickel more, you'd have to stand on the Empire State Building, and drop every person you endorsed, and hold Malcolm up and say he's the best thing since sliced bread. Matter of fact, he's better than sliced bread.

74. The UC said, "What I can do, and we should talk about is, maybe if they want to up the ante a little bit on the back end, but then they're going to have to do more." SMITH responded, "Let's close the deal. I mean, I'm just saying, I wouldn't do anything with them until you close the first deal. I would close it first."

75. Later in the conversation, the UC said, "I may be naïve in this back world." SMITH replied, "Business is business. They understand. You don't take somebody's money and just go, you know. Life is too short, I'm telling you, it comes back around fast." The UC said, "And they're all crying about what they, you know they need this, they need that, you know." SMITH asked, "They cried about what?" The UC said, "All this stuff with mon . . . oh, I got a kid in college, I got debt, I got debts, whatever, I got a vacation home." SMITH responded, "You know what you do? Tell him, tell him I got a kid in Albany that needs to be born. So, when you birth him, when you birth my child up in Albany, I'll help you with your kid."

WHEREFORE, I respectfully request that warrants be issued for the arrest of MALCOLM A. SMITH, DANIEL J. HALLORAN, VINCENT TABONE, JOSEPH J. SAVINO, NORAMIE JASMIN, and JOSEPH DESMARET, the defendants, and that they be imprisoned or bailed, as the case may be.

Thomas R. Holmes, SA, FBI

THOMAS HOLMES
Special Agent
Federal Bureau of Investigation

Sworn to before me this
29th day of March 2013



HONORABLE PAUL E. DAVISON
United States Magistrate Judge
Southern District of New York